Gilles Dauvé & Karl Nesic

Whither the world

WHAT? WHY? HOW?[1]

September 11, 2001 has brought about a new consensus: the anti-US attacks are described, as the price capitalism has to pay for its over-triumph. "Globalization" is said to have overcome the crisis of the 60's and 70's, established the domination of what is supposed to be the heart of capital, i.e. finance, launched a computer revolution and an unprecedented consumer age, tamed labour, neutralized the old workers' movement, swept aside its "State capitalist" rival. But this "globalized" capital is also said to suffer from an expansion that knows no bounds. According to common wisdom, the victor has gone over the top, recreating inequality and poverty that cause anti-capitalist movements in the rich countries, and revolts in the poorer parts of the globe. Marcos and bin Laden are regarded as absolutely opposite twins, but the palatable democrat and the reactionary fanatic are supposed to come out of the same destabilizing unheard-of neo-growth. In other words, September 11 would reveal the inner contradictions of a new historical phase.

This essay will try to show that, if a different era undoubtedly started in the early 1980's, it is not approaching maturity.

This point is far from being academic.

Capital can be questioned when a production cycle reaches its peak and starts getting into a critical situation. There's no dynamic proletariat without a dynamic capital. The progression of the First International in the 1860's, the wave of strikes after 1915, both occurred in a capitalism that integrated into modern labour a new workforce, young workers and women particularly: in May 1917, 3 French strikers out of 4 were women. Likewise, in the 1960's, the worker could revolt against work because he knew he could change jobs. Capital then solved part of the worker's problem (getting hired): so why lose one's life earning a living? It's only when a social movement can question the wealth proposed or promised by capital, and not just the poverty imposed by capital, that this movement is able to manifest communist potentials.

On the contrary, economic breakdown is never the best time for a critique of the economy. The workers' main concern is finding a job. 1929 came after revolutionary defeats that mass unemployment exacerbated but finally made worse.

We can't expect capitalism to become as capitalist as possible, treating the proles in the toughest possible way, and thus forcing them to react. (How could a movement that means both collective and individual self-

awareness and autonomy, be based on a determinism that would push us into action almost unconsciously?)

What matters is not how and when restructuring will impoverish labour, but whether or not restructuring is maturing, i.e. entering its first large structural contradictions, and meeting a resistance aimed at its core, not just at its effects.

The bulk of this essay was written between 1999 and Summer 2001. So it was started at the time when the us boom and new technologies made the news every day, and finished before what's presented (until the next one turns up) as a major historical landmark: September 11, 2001. We haven't altered the general line of the text. Our analysis does not depend on whatever positive or negative fluctuations capital goes through. We'd like to emphasize a "long term trend", and the impossibility for capital to solve basic issues without a social crisis, from which it could emerge victorious.

In 1999, the Kosovo war already highlighted a situation which becomes even clearer in the September 11 context. 2 In any case, focusing on the Indu Kush won't help much.

The essential never can be measured. Averages truly are outrages upon real individuals, Marx wrote in 1844.

Statistics set reality in the form that's most convenient to management. "GNP" combines pollution, depollution, PR firms working for the polluters and the Greens. Every road casualty means a cost and a profit. We don't measure the world by economic values. What contradicts figures is what we're after.

Data are valid as far as they lead us towards the social profitability of a system at a given time, that is, its capacity to produce its own general stability, and to reproduce its ruling class in the best possible conditions.

The extent of the restructuring can only be understood if we start from the contradiction that the restructuration is trying to solve.

"What's the technical system that will enable capital to rebound? Where are the new energy supplies, the new materials, the new tools? Above all, where's the new organization of labour that will make up for the defects of Taylorism, and raise to hitherto unknown heights the domination of capital?" 3

So the GLAT asked in 1977. According to this group, the introduction of new technologies could only increase production costs that it was vital for capital to cut down. In any case, the GLAT was convinced that such a reorganization (like the coming of Scientific

Management) implied a class confrontation that would go much deeper than what had been happening since the mid-60's.

Twenty-five years later, we know that confrontation took place, but was different from expected. Although the bourgeois counter-offensive took a heavy toll in Latin America and Asia (as far as China, Sri-Lanka, etc.), it was less harsh in Europe, in the US and Japan than in 1917-37. Still, it was similarly resolved to the advantage of the capitalists. So it might seem obvious that history has clearly answered the question asked in 1977.

We doubt it's as obvious as it seems. What we need to assess is not the consequences of the restructuring, but its nature.

WHAT THE CRISIS WAS (STILL IS?) ABOUT

Let's not wonder if it's the class struggle that forces capital to modernize itself, or capitalist pressure that causes wage-labour's reaction. In the middle of the XIX the century, workers' resistance to over-exploitation (12 or 15 hour days, woman and child labour, etc.) in the manufacture, combined with inter-capitalist competition, led to a new system of production: large-scale industry.[4] The history of capitalism can't be explained by the action of a single class, only by a permanent contradiction,

where class struggle and confrontational partnership are two sides of the same coin.

Capitalism has gone through different historical production systems: each of them is a whole structure that organizes society in a specific period, in order to reproduce wage-labour relations, value creation and its realization on the market to produce additional value. As its basic function is to maintain the continuity of capitalist society, this implies acceptance of capitalism as the only conceivable reality. So a system of production is social as well as economic, and it's based not on technology but on the social structuration of techniques.

The tendency to organize capitalism goes back a long way. Bismarkian "socialism" was one of its early crude forms. Fordism and Taylorism did it thoroughly, under strong pressure from the revolutionary crisis after 1917 and from the 1929 crash, but they only triumphed after 1945. Until then, and from the beginning of the XXth century, capital had been busy altering the work process, but not yet the forms of existence of wage-labour. It's only after 39-45 that it was also able, in the US, in Western Europe and in Japan, to transform the (re)production of labour power:

* Integration of the proletarians in the economic, political and social sphere of capital: they're no longer perceived as enemies, as outsiders, but as rival partners in the valorization process.

* On the other hand, what defined the XIXth century worker (his skill, his craftsmanship) is decomposed and rejected.

* Wages are not merely a cast, but an investment which feeds consumption: there's a reasonable increase in direct wages, and a large increase in indirect wages.

* Mass consumption (with planned obsolescence) fuels growth, and commodification pervades the whole social fabric.

* National development gives a new role to the State, which no longer deals only with war and law & order, but also initiates social justice and social peace. It helps or forbids mergers, supports growth through fiscal policies, public works and a permanent arms economy.

Keynes and his successors did not hope to get rid of serious periodic crises altogether. They were aware of the inevitability of crises that clean up the system, but threaten the continuation of the ruling classes: these are less attached to capital than to themselves, and

remember how a rough time bureaucratic capitalism and even fascism gave them. The aim was to preserve the best possible equilibrium, regulating the market to minimize social upheavals.

Today it's hard to realize how painful the birth of this social compromise was. Bosses were as reluctant to accept any discipline for themselves as they were determined to impose it in their factories. In the 1920's and 30's, the French and English bourgeoisies went on denying any role for labour except a submissive one, and sabotaged 8ocialist participation in government, even when the Labour Party or the French SFIO were implementing modest reforms. The French Popular Front ended in a political and social failure. It took time for Roosevelt to be accepted as a decent reformer. The bourgeois treated the State as if it belonged to them, and refused to finance it when the Left was in office.

In fact, the advances of the compromise finally depended on the need to find a solution to wage-labour reaction and unrest. Ford's $5 Day (for 8 hours work: an old workers' demand) was a response to many factory hands simply leaving the plant because they hated the assembly line. The initial purpose was not to pay the workers more so they could afford the cars they made. Actually, Henry Ford had not understood that popular

consumption implied the extension of his system to other sectors, a contractualization of labour-capital relations, and therefore a recognition of the union. Even open-minded industrialists insisted on a man-to-man relationship between boss and worker. It took decades of struggles to force capital to admit collective bargaining. The New Deal wouldn't have come to much without the sit-downs of 1937-38. Similarly, at Toyota, in 1950, a mass strike imposed the system of guaranteed work, in ex change for a pledge to reduce costs.

A production system combines a technical process, the organization of labour which makes it run, and the whole society that goes with it. So it has no date of birth and death. Taylorism goes back to the beginning of the XXth century, and large-scale industry did not become extinct in 1929 or 1950. In 1914, a year after Ford introduced the assembly line, half of us industry was still using steam power. The 1937-38 strikes and the new model unionism of the ClO reinforced the New Deal compromise, but also laid the foundations of what would weaken it later (more workers' struggles, and more wildcat than before). The first big collective contract was signed at GM in 1945, but in the 50's, US car makers were already into automation, in response to new strikes. In Europe, what came to be called disindustrialization in the 1980's had started thirty

years before in the US. Renault used to be a symbol of the contradictory integration of the unions but, at the same time, Citroën was supporting its company union and sacking CGT shop-stewards.

We can only bring out the overall tendencies that dominate a historical period.

The huge social upheaval, of which "68" is a symbol, and which spread over several continents for about 15 years and perhaps reached its climax in Italy around 1977, did not arise out of an "economic crisis", but coincided with the wearing out of the positive effects of Fordism-Taylorism, both for capital and labour:

* A decline of productivity gains, partly due to the cost of larger and larger investments (the "diminishing returns" inherent to any technological cycle), partly to a worker resistance that resulted in more mechanization and therefore more costs.

* Consumer saturation, not in terms of the number of objects bought (a household can always find use for another car or stereo), but of the satisfaction derived from new objects. A Ford Anglia was very enjoyable when it took the family to the seaside, less when it became necessary for supermarket shopping.

* A growing refusal (related to this dissatisfaction) among a determined minority of the wage-earners, the young particularly, of the bargain hitherto accepted: guaranteed job and consumption, in ex change for a deep dispossession of the content of work. No militant worker of the First International, and few of the Second, could have imagined the extent of this deprivation. Until then, deskilling was massive, but limited to women, recent immigrants, or to children. Now, the majority experienced the loss of meaning of life of which the unskilled factory worker became the symbol. In France, in 1962, there were more unskilled than skilled. Every manual wage earner could picture the fate of the Fiat or the Renault worker as his own future.

* The development of unproductive labour, private as well as public, reduced valorization (the growth of the public sector is related to class struggle, as the all-encompassing State machinery helps maintain social stability).

In short, while more and more capital was required to valorize capital, more and more consumption was needed to get the same quality of satisfaction out of it. The measurable decline in profits (acknowledged even before the first oil shock of 1974) took on its full meaning when combined with the falling profitability of a whole

social relation: the relation between labour and capital as it was experienced in daily life. In 1971, the Lordstown GM workers weren't the first to refuse what a "well" paid job made of them. "The crisis of the economic civilization gradually proved to be an economic crisis." 5

The system could not prevail when Ford was the only Fordist boss. However its generalization deprived it of its advantages in competition as well as those with regards to the proletarians.

Overcoming the crisis meant creating a global framework, that is, it meant more than restoring order in the factory and then changing manufacturing techniques. Since capitalism is first and foremost a social relationship, it could only find its way out of the crisis through a general reorganization of society.

PARTIAL CAPITALIST VICTORY

The changes of capitalism since the 1980's are usually explained by a twofold revolution, in computers and in finance. These undeniable aspects are dimensions of a deeper movement: a bourgeois counter-offensive. The advent of the computer was no accident. In the workplace, in the street, at home, data processing speeds up, decentralizes, separates and individualizes. We'll deal with more of its implications later. Let's just

say that in the workplace, computerization helped dismantle what huge factories had facilitated: labour self-organization. The management of densified time and segmented work made it possible to split the office or the shop floor into different production units, to put the wage- earner under the direct pressure of the customer, and thereby to intensify work.

On the whole, capitalists won, and put the labour force back to work on their terms:

* They broke up "workers' fortresses" (and protected status), usually through a war of attrition against proles who were very militant but had no positive alternative. Then came the deathblow through sub-contracting, temp work, blackmail (less lay-offs in return for productivity deals), planned competition between units within the same firm, incentive pay, loss of overtime pay, etc.

* Computerized labour: know-how is transferred from the worker into a machine (numerical control appeared in the early 70's), and management is accelerated in the services. However, computerization saves time and wastes it, because of breakdowns, training, fast hardware obsolescence and other incidental expenses.[6] The real success of the "computer revolution" comes from its ability to control the work process and to make it

even more obscure for the wage earner. At least, at the end of the assembly line, the worker can see a car or a tin of sardines. Screens, digits and icons now blur each person's contribution to the collective effort. Computerization is a script for lack of comprehension.

* Use of unemployment and factory closures as social weapons (in spite of an often extreme resistance that was doomed to fail since its only objective was to save jobs: capital does not hire labour that's unprofitable). It's interesting that the unemployment rate (whatever official figures reflect) only started to decline in 1992 in the US (1997 in France).

* Shutting down factories is negative: offering a new style consumption is a positive social weapon. The radical critique of daily life has been recuperated: Internet and mobile phones correspond to the 60's demand for autonomy. Capital turned against the movement its characteristic and limitation: self-organization, the desire to be oneself. Such freedom is now possible, yet limited to the individual. Diversified consumption separates teenagers, women, gays, Blacks, sport addicts, senior citizens, etc., free to enjoy their own identity, or even to move from one to another, but always within divisive categories. Also, everyone's a rebel now. Those who refuse material possessions buy immaterial goods. The

sixties wanted to put being before having. Having is now asked for in the name of being. We no longer accumulate objects, we experience. The passive televiewer is also an active Net surfer. Advertising mocks itself, or appeals to non-market values, ecology for example: "Drive a Datsun, Plant a Tree" (1972). Social critique has become another reason for buying what society sells. Capital is quite good at presenting itself as a liberator.

No one can deny the combination of all these factors has restored corporate profits.

But even if the cost efficiency of a large number of firms has been restored, capitalist society is not equal to the sum of its firms. Profit is only one indicator of general social evolution. The USSR certainly was based on the production of value, but with such a low productivity that it would have been wiped out if its system had only been an economic one.[7] From an accountant's point of view, that country was a monster, a historical impossibility. Internal and geopolitical - all ultimately social - causes kept the aberration going for 70 years. On the other hand, part of American power comes out of people's faith in capital. There's no crisis of capitalism, only a crisis of those taking part in it, those making it go on, classes that is. In the 20's too, profits were high. We'd be naive to replace "bourgeois" measurement of rates of growth

by a "Marxist" criterion of rates of profit. Besides, the development brought about by restructuring is all the more impressive as it follows large scale unemployment and huge changes in the European and American industrial landscapes. The rate of growth of world trade is inferior to that of 1950-70. What has gone up is direct foreign investment. Even so, apart from France, the proportion of foreign trade in the global production of the old capitalist countries is close to what it was before 1914.

Still, growth is back. But what is its content? "Lean" production (which is supposed to have succeeded "mass" production) has put up profits thanks to conditions that make those profits fragile. Capital stock grows little (in the us as in Europe), and there's less accumulation than after 1950. Profitability has been restored in a more "regressive" way (wage cuts, reduced accumulation and increased social differentiation) than a "progressive" one (social convergence). The American recovery of the 1990's mainly originated in a wage freeze, lowered social spending, longer working hours, and a consumption based on debt. In the US, productivity gains were higher in 1995-2000 than in 1980-95, but lower to those of some previous periods, 1960-73 in particular.

Although labour productivity has definitely gone up, that of capital as a whole is stagnating.[8] Large productive investments have resulted in decisively more productive labour, but this is not enough to launch a new technological cycle. So far, work has only been made profitable through enormous investments that raise capital costs. After the large-scale industry in Marx's time and Scientific Management in the first half of the XXth century, we are witnessing the dawning of a new system of production, but not quite its breakthrough, which will require a reorganization of labour that is lacking. About a dozen years ago, in the US, among firms that had greatly downsized manpower, half of them had failed to cut costs, and less than 1 out of 4 had durably enhanced productivity.

Unlike the automotive industry fifty years ago, the (now fading) success of the "New Economy" (8% of the whole in the US) cannot pull in its wake the rest of the economy. The ability of information technologies to revive productivity (and society), as the steam engine and then electricity and the combustion engine did before, remains to be proven. To this day, they have not become the driving force of a new era. Speeding everything up does not always coincide with an increment in value. If we compare the car and computer

industries, car manufacturers made the most of rather slow technical progress, and managed to slow it down even more when that suited them. The information industries, on the other hand, often give free rein to technical advances and waste value.

The limits of the New Economy are even plainer to see in Europe and Japan. In France, the share of the New Economy is half that of the US (4% of GNP), and this proportion did not change between 1991 and 2000. Germany and Japan have a much lower productive investment rate than the US, and a smaller fraction goes to new technologies.

Substituting capital to labour has not yet provided a corresponding increase in global cost efficiency. This would or will only occur if new capital accumulation was able to increase the efficiency of all (or most) productive processes, and give birth to a transformed consumption and way of life, in other words a modified wage labour-capital relation in a deeply modified society.

This diagnosis is illustrated by one of today's most striking features: the "Big is Beautiful" craze, in all sectors, including of course Stock Exchanges. Actually, mergers (often via exchanged shares) bring forth few new resources, and fail to create much more value. A lot

of them are defensive, and aim at protecting a market or avoiding a take-over. Thanks to economies of scale, some are profitable. But half fail to produce more money, and a lot end up with losses, only adding the shortcomings of the two partners. Concentration transfers the difficulty onto a higher level.

Because modern man uses light objects such as mobiles or disks, he thinks he is beyond space and time, beyond matter. The setbacks caused by e-trade and the mobile phone 3 G standards remind him the New Economy still belongs to the economy: gigantic inputs are necessary to bring about expected outputs that won't materialize in the short term. Just because cell phones are everywhere is not enough to make them profitable. The smartest innovation is irrelevant if it does not produce a return on investment. There is simply not enough surplus value to complete the valorization cycle. This is indeed an accumulation crisis. We're not prophesizing economic crashes. Marxist weathermen have been wrong too often. The press is already debunking the e-miracle anyway. It took 40 years for the electric engine to become dominant: the dynamo goes back to 1881, and in 1920 was still only installed in half of the industry. Maybe data processing heralds a new era. (In any case, from a human point of view, it's not the delays of modern

technology that should bother us, rather its murderous advances.)

Nearly all car makers that existed in 1900 were later driven out of business: this did not prevent the coming of the car world. But this is exactly the point we're making: in order for the "automobile revolution" and its way of life to assert themselves, it took more than inventors and car fans, more than assembly lines and 15 million Ford T buyers. It took the crushing of a powerful revolutionary wave, several decades of democratic, fascist and stalinist counter-revolutions, not forgetting a world war that was able to upheave societies, markets and minds. History certainly never repeats itself, but the past helps measure the scope of the changes that are necessary for the consolidation of a new system of production.

Capital rules, but its hold over society is not yet deep enough, as can be seen in a decisive terrain: the integration of labour. This will be the theme of the next three sections: the new work process; computerization; and social cohesion.

THE PROLES' STRANGE DEFEAT

Nobody denies the capitalists' victory over the radical minority of the 60's-70's, nor their ability to crush or absorb the demands of the reformist majority. But how

far did this triumph go? It was not enough for capital to lower wages and close unprofitable factories: the problem was to open new profit-making ones. Giving millions the sack is pointless if it doesn't make labour more mobile and docile.

On that vital issue, an uninterrupted connection links the 60's to present times: industry still fails to "humanize" the assembly line, and only enriches de-skilled tasks through forced multitasking.

No experience has had lasting success. Volvo's "module" at Kalmar (1974), which was designed to recuperate the informal shop floor autonomy described by the Renault worker Daniel Mothé in Socialisme ou Barbarie in the 50's, did not bring back profitability. "Reflexive production" at Uddevalla (1985) replaced the line by fixed stations of 2 to 4 workers responsible for assembling the car, and called upon what is now known as cognitive abilities. According to two experts from the regulationist school,

"Doing an intelligent and empowering job is not enough to push workers into contributing to continuous performance."

Kalmar is closed. So was Uddevalla from 1992 to 1996, until it reopened on different principles.

"(. .) however commendable humanization of labour is, its relative economic inefficiency leads it to failure in the long run"; "the breakdown of tasks into isolated operations is the main precondition of efficiency".

A few years later, to enhance productivity, Volvo chose the opposite way: it lowered social benefits and put pressure on the workforce through lay-offs, before having to sell itself to Ford.

While the West went in raptures over the "Toyota spirit", thousands of miles away, the firm of the same name was experiencing the shortcomings of this new wonder. Kaizen (participation of the team in productivity increases, which bypasses both Taylor and Mothé), and kanban (systematic reduction of stocks) only functioned at their optimum until 1990-92. Like their predecessors twenty years before, young workers started grumbling, or even walked out. Toyota was short of manpower in 1986-90, at a time of growing domestic demand, and reacted by having the team assemble a whole sub-section of the car. Toyota was reforming Toyotism.

It is true that capital does have its successes. In California, NUMMI, a joint factory of Toyota and GM run in the Toyota way, was a productivity and profitability success. GM's Saturn project in Tennessee turned the

"work unit" 10 to 15 people) into a profit centre, managed with equal representation of boss and union. From shop floor to boardroom, 70% of votes were necessary to take decisions which everyone had to comply with: the first factory run by democratic centralism! It worked, but the number of accidents increased, and the total involvement of the union caused a rift within the UAW, as well as between different GM plants. Therefore, although this method was profitable, it was never extended to the whole of GM. Similar endeavours at Volkswagen and Mercedes (job enrichment and team empowering) were also successful but these again weren't generalized. According to experts, the autonomous Gruppenarbeit is more popular among union officials and academics than among C.E.O.s. No automaker has reshuffled manufacturing on the NUMMI or Saturn model.

Every ten years, sociologists tell us about a re-arrangement of production that might reconcile labour and capital. But, however carrot and stick combine their efforts, if there's little open rebellion as in 1970, firms have not gone back to an optimal reorganization of productive processes.

This analysis deals mainly with "old style" blue collars, who are less numerous than before, and more numerous

than is usually said. In France they have been increasing in the past few years, from 5.8 to 6.3 million, which is about the same proportion as in 1910. (Before 1914, the factory workers in the US, Germany, Britain and France totalled about 30 million, and maybe 40 million worldwide: not all that much for the heyday of the Second International...). On a world scale, recent industrialization has hired (and fired) millions of new workers. It's not the workers who've disappeared, it's the labour movement.

Let's not argue about figures. The point is that the working life and the life in general of more and more wage- earners are now modeled on the principles that once only applied on the shop floor. Re-arranging office work is tantamount to speeding-up, more control and worse work conditions.

Call centre workers are typical new unskilled labour.[9] They are not very submissive in their tasks: so can they be profitable? Capital still does not know how to integrate its neo-proles into work that's been intensified and, for those on the bottom of the ladder (by far the most numerous), less stable and less paid than before.

The proletarian critique of the 1960's-70's did not go deep enough to impose extreme answers, both in the

short and long terms, as after 1917. Basically, capital has only addressed one aspect of its confrontation with the proletarians, without wishing or being able to push the matter to its ultimate conclusions. It has concentrated on a drastic reduction of the costs and conditions of labour power, and shifted the social norms of consumption without changing them. Among other things, Left and Right governments incite the bosses to hire and the unemployed to get a job, while promoting precarious casual labour. Although it helps to lower wages, casualization hinders consumption and social integration.

The wage-labour system can function, but it can't thrive against wage earners. In New Jersey, Linden workers are meant to report faulty cars, but they don't, because they're pressed into working (too) fast.10 Oddly enough, we find the same behaviour among French workers in a furniture factory. As it happens, the former are submitted to post- or neo-Fordism, the latter to speeded-up Taylorism. Similar patterns in quite dissimilar plants suggest that the old productive process has not yet been fully superseded.

COMPUTERIZED TAYLORISM

Intensifying work is typical of capitalism. Taylor's novelty was a systematic drive to individualize work in order to

grade and control it. He isolated every worker's body from his neighbour, split the body from the mind, then divided this brainless matter into programmed gestures. He proceeded as if the reduction of complex to simple labour was to be understood literally, as if every human move could be turned into measurable units. His fallacy was to take no notice of the contradiction between maximum measuring and optimum flow. Taylor acted as an expert in separate motion, and his prime concern was not to find the most productive technique, but the best adaptation of man to whatever he is ordered to perform. One of Taylor's early experiments in timing, in 1899, concerned a pig iron loading champion.[11]

Such rational madness[12] suited capitalism in its quest for value, which must be treated as a divisible and traceable substance taken from a homogeneous whole: time. But it was inadequate for capital which requires cooperation. Value is indeed time, but capital remains exterior to work (otherwise it wouldn't be capital), and no task, no productive act will ever be entirely reduced to a time unit.

In the 1920's and 30's, it did not take long for workers and sociologists (the latter studying the former) to perceive this contradiction, which Scientific Management

tried to solve by a supervising hierarchy whose job was to link up what it separated.

Taylorism is alive and well, renovated in some sectors (carmaking), and expanding in others (agro-business, the building trade, and the services). Many factories now being built in the third world operate on Taylorist principles. Station work hasn't disappeared. A century-old paradox still holds the line: the maximum gap between managers and rank-and-file is designed to increase productivity but finally brings it down.

Although the computer revolution is the apparent solution, it merely shifts the contradiction.

Scientific Management was born out of a mechanical age. As in C.Chaplin's Modern Times, the wage earner becomes part of a cogwheel and the machinery literally swallows him up. The problem arises when every tooth of the wheel has to work with another: somehow the system has to keep the continuity of successive work stations that have been disconnected only to be re-connected as planned by management.

Digitalization evades the issue. It sees machines as information tools, and work stations as a network. The production line becomes a flow: the link between workers mustn't depend on them, but solely on

knowledge incorporated in the manufacturing process. Everything is reorganized to prevent the underling from jamming production, while at the same time asking him to be more alert, even more intelligent.

Taylor was trying to get rid of the workers' capacity for passive and active resistance that came from their knowledge and know-how. But Scientific Management never quite erased collective solidarity, because the workers have one basic weapon in their hands and minds: it's they that do the work.

Scientific Management broke up the skilled community by suppressing or reducing their professional competence. Computerization puts back knowledge into work, but not into the worker, only into a machine that he uses without mastering it. Unlike the former unskilled worker, the new style wage- earner does use knowledge, but (unlike the skilled} only knowledge that is independent of him, so he can't use it to get autonomy, resist or rebel.

The snag is, no work is individual. The 1920 skilled worker's knowledge and the 1960 unskilled worker's know-how weren't in their heads, but in a practical collective experience, due to which a certain degree of control over work used to exist and still does.

Taylorism's digitized persistence hardly signifies a fresh beginning. If the extension of Taylorism finally proved counter-productive in Turin in 1970, how could it succeed in Bangkok in five or ten years' time?

WHAT ROLE FOR LABOUR?

"Post-Fordism" eliminated some obstacles to the free hiring and firing of manpower, but it concentrated on what the firm controls best - the productive process - and destructured the social context that surrounds it.

Contrary to hasty forecasts, neither robotization nor mass unemployment eventually invaded the world. Capital's objective was not to enforce automation everywhere, but to suppress workers' resistance and to densify work.

Thanks to computerization, the wage-earner is now often asked to perform two jobs in one: the watchman does a bit of bookkeeping, the service-station man sells insurance policies, the factory hand takes care of maintenance, the mechanic deals with the customer. "Just In Time" means more participation of the wage-labourer in production, and his ability and his willingness to take initiatives.

At the same time, the work process has been transformed in order to monitor the personnel as much as possible. As often, a social reality is reflected and deflected in psychological terms: the fashionable "double bind" cliché expresses a situation daily experienced in the working world: "Be autonomous!"

Going beyond Taylorism would only make sense if capital was able to mobilize labour better, simplify command channels, thereby acknowledging the importance of work. On the contrary, computerization belittles whatever is manual or unskilled.

In the past, the worker made up for the (deep, yet never complete) loss of control over his work through higher pay and an easier access to the consumer society. The unskilled would earn more at Vauxhall than in the small local factory. A few decades later, one of the principles of restructuring is the exact opposite: reducing labour cost to a minimum. Would the software programmer work as he does if he got the minimum legal wage?

Capitalist relationships are based on constraint, but they misfunction once they forget the "anthropological" dimension of work. The simplest task implies some on-the-job training, and can only be achieved by contact with others. The more it's confined to a means of earning

a living, the less it socializes. Constraint won't recreate "meaning", and no new system of production is valid without some meaning shared by both capital and labour.

Since the break-up of gigantic factories, of workers' districts and of protective status, labour has not been given a place and recognition. There's a contradiction between having the worker use and valorize elaborate production procedures that require a lot more participation, and treating him as an expendable pawn.

Also, the debate about "the end of work" is socially counter-productive as it debases a bit more those whose work rules their lives (whether they're currently employed or not), while providing them with less income and stability.

The working class was both reality and myth, but millions of people knew where they belonged. This belonging has been undone but not replaced by a new kind of adherence (to work and to society at large). Millions of youngsters from an ex-working class background are social orphans. Everything that's labelled "worker" is devalued, and not much pride or dignity comes with recent forms of menial work. The decline of large scale struggles does not prevent class polarization: people talk

of us and them, and keep repeating that the rich are getting richer while others are going down the opposite way, and that "our kids will have a tougher life than ours"…. This sounds like a negative class consciousness.

"The anguished class", "mass cynicism", "ergostress": this is how experts translate the impossibility to praise autonomy and co-responsibility, and to champion at the same time mercenary attitudes ("Now everyone must learn to sell himself"). Wage-labour only durably valorizes capital if both share at least some social and cultural hopes and prospects. In the past, the engineer and the metalworker could find a common ground in a "technical culture" that also meant a historical vision. Cyberphilia doesn't fill the vacuum.

It's dangerous to treat workers as a necessary evil. According to French official figures, work accidents have gone up by 15% since 1996. Homicides are reported to be the third cause of death on the workplace in the US, where the number of bosses killed (often after they'd fired someone) tripled between 1984 and 1994.

The Fordist factory fulfilled an integrating function. At River Rouge, which was the pride of both Ford and the UAW fort y years ago, 30% of the union members were Black. Linden did not only manufacture cars for GM, but

a social "homogeneity": less wage differentials, less disparity between Whites, Blacks and Hispanics. 8ince the devastating lay-offs of the 1980's and 90's, the gap has again widened between the Whites and the others.

Wage-labour is now separated into three categories: the expendable, whose work can easily be compared and replaced, treated as a flow and de-located; the competent, with a specific qualification, who are given a share in management and profits; and the protected, with strong job security, low wage individualization, few career prospects, often working in the public or social sector. Unlike Fordism, the present system organizes little circulation between the three groups. Growth no longer is a social unifier.

The assembly-line worker of 1960 knew he was assured of a job, and his children were often right to expect a better job than his. Every social stratum could hope to catch up with the one immediately above. In 2002, to become a primary school teacher, the daughter of the low paid must fight the competition of middle class kids. In France, the small but until recently slowly increasing fraction of workers' children getting into the elite universities is now decreasing. Capitalism is turning into a network of exchanges that are unable to build up social linkage.

THE FINANCIAL FALLACY

What is usually interpreted as the triumph of capital and often of its deepest nature) points to a weakness.

Solving the social crisis and the accumulation crisis (two different names for one reality) meant commodifying capital even more, partly, as we've seen, by forcing labour into mobility, but also by giving more autonomy to capital in its money form, and facilitating its moves within each country and across borders. This increased trans-nationality, however, is not the main cause but an effect of "globalization". Value may flow as if it could escape the constraints of its origin (labour), but it won't ever become its own cause: the circulation of financial items ultimately depends on the circulation of non-financial items.

The rise of the Stock Exchange and the relative decline of banks in the financing of firms do not mean that the economy would be preyed upon by a money capital even more dominating than when Lenin denounced "parasitic" capitalism in 1916. The accelerated circulation of value coincides with a more "liquid" society, where the distinction is blurred between previously separate forms (industry, banking, trade, insurance, etc.). The common statement "Money rules the world" is not valid in the

sense that financiers would manipulate everything: money rules the world as far as money is able to make labour produce more money.

Every crisis is a call to order. Whatever form it takes, money is crystallized (past or expected) productive labour. Credit of course is free to anticipate future wealth. But people can't go on selling and buying shares unless something else apart from shares is made, bought and Bold with a profit. That something does not have to be an object like a plane or a garment, it could be a haircut or consulting a lawyer, but in any case "value creation" does not happen by simply multiplying monetary signs. When investors fail to get adequate returns, either they speculate, look for exotic opportunities, withdraw from business, or go bankrupt.

Globalization is a reality, yet it corresponds more to an increase in direct foreign investment, than in world trade. Most of the trade done by multinationals takes place between their subsidiaries, and half of their sales are on their own domestic markets. The drive towards financiarization would not have gone to such extremes without the limits or obstacles to profitability in industry and traditional services. Capital over-production (in relation to its possible valorization' takes the form of over-capacities, over-investments, unsold goods, and

floating capital in need of profit opportunities. Financiarization contributed to restructuring, but it also derives from its limitations and amplifies them.

"Bad debts" exist because of fragile valorization conditions. 30% of the international capital invested in Asia came from Japan, which in the late 1990's owned one third of all world savings, in other words of past labour substantified in expectation of future (profitable) labour. What if this future should fail to materialize? A good debt becomes a bad one when the debtor lacks money to pay it back, because he hasn't made enough profit compared to what he borrowed.

The spectre that haunts the capitalists is not communism, but the hypothesis of a financial tsunami.

In the 1920's, us firms would turn their cash into shares because of the lack of new profitable opportunities in industry and commerce.

At the beginning of the XXIst century, the gap between credit, monetary creation and market capitalization on the one hand, and actual and likely value creation through production-circulation of commodities on the other, far exceeds the level of the late 1920's.

Neither market self-regulation nor State supervision would be able to prevent a financial crash. Circulation is not set in motion by itself, but by what circulates. Consumer credit (3 American households out of 5 are reported to use an average of 9 credit cards} makes up for lowered incomes, and also creates a drugged economy that's highly volatile. The mixture of a debt economy and an uncertain profitability is loaded with ominous potentials.

A STATE AND A DEMOCRACY IN SEARCH OF THEIR ROLES

There's no capitalism without a central authority. London City merchants needed the guns of the Royal Navy, as much as Sixth century manufacturers needed the repeal of the Corn Laws. Cars would be unthinkable without a public road network. Even when political power only contributes to the convergence of conditions necessary to the wellbeing of industry or trade, its role is essential.

Direct control or ownership of entire sectors is a different matter. Social circumstances turned the State into an entrepreneur in France and Italy after 1945. The {partial) ending of these functions does not mean that the State must have little to do with business. Privatizations imply the obligation to renovate {and not

to eliminate) the social compromise supervised by the State.

Although the nation-State hampered economic fluidity, bending the stick too far the other way has led to excessively liquid capital over-investing in the most profitable sectors, and being solidified in new monopolies. Concentration entails economies of scale, but also weighs on valorization. A century ago, the US federal State took action to dismantle trusts that had grown too big and become a threat to competition (Sherman Act, 1890). Capitalist dynamics relies on a constant interplay between monopoly and competition. Also, depriving the government of efficient monetary and fiscal policies prevents it from checking and balancing excess inequalities between rates of profit as between regions. The present Chinese boom is achieved at the expense of most of the country. Left to its own impetus, capital lets windfall profits prevail over long term prospects. The economy exists on territories: the nation-State is just one way of structuring space, but there has to be some structure, some political structure.

The Welfare State was born out of the class struggle, and lost part of its social profitability in the 1970's, when thrown off balance by class conflicts of a new kind. The contradiction began to grow between the need for the

State to contribute to accumulation the enlarged reproduction of capital), and its redistributive tasks the reproduction of society).

In the rich countries, the State levies from 35 to 55% of all wealth (as created and measured according to economic standards). The share of public spending in total output has eyen gone up in Europe, where it remains higher than in the US. The differential between the EU and the US is eyen increasing: globalization is not equalization. But let's bear in mind the bailing out of Continental Illinois and then of the sayings banks during the Reagan administration, the arms economy and its spin-offs (Internet included), State subsidies (as in the Boeing Y. Airbus battle), etc. Reagan cut back on welfare, not on federal money going to Stars War projects.

Public spending is indeed expanding, as it should be in the interest of social stability. The trouble is, it remedies effects that often have their causes outside the territory controlled by the nation-State. And this is not a matter of size: a European federation would have to deal with capital- labour relationships that are now often determined outside Europe. The State suffers from its declining ability to master a space which it still structures politically.

The Fordist compromise worked within a national framework where bosses and union leaders negotiated under the aegis of central power. Unless we imagine that capitalism could be prosperous merely by crushing the masses under its "iron heel", a new compromise supposes some framework that is yet to come. The liberal offensive of Thatcher and Reagan (and, in a different way, of leaders like H.Schiller and Mitterrand) did not deal with such matters, as it aimed at breaking resistance, not building up consensus. Twenty years later, however, neo-social-democracy has been following the same path and merely cushioning the shock.

What's at stake is not the alternative between State or market control over the economy, but the adaptation of political forms to an economy that is not non-national, but trans-national. In that respect, one sign of successful restructuring would be a unified economic, political and military Europe.

Is it a sheer coincidence that at the same time political representation is going through a crisis? The decadence of mainstream party and union life (more under the pressure of consumerism than through a radical critique, needless to say) has far-reaching consequences. We are living in an age when NGOs, grassroot lobbies and associations are playing a growing part in politics, and

are commonly regarded as the foundations of a born-again democracy based on "civil society": "The working class is dead, long live new social movements". Each single issue group fights for specific rights (womanhood, childhood, gender, handicap, ethnic equality, schooling, sustainable growth, peace, fair trade, fair work, etc.) that are supposed to unite into what is known in France as "social citizenship".

Is this going to work? In a class society, political power gives unit y to division, and is "the concord of this discord" {Shakespeare). It can't be based {really and symbolically) on a pyramid of countervailing powers which in fact don't reinforce it. We have a paradox here. The NGO or ATTAC activist expects everything from a State he has little faith in: he does not think the State has real power over society and big business {in fact, this is what the activist reproaches the State with). No reform, indeed no reformism is valid without a political and governmental dimension. In the past, forces like the Labour party, the CIO, the CPs, etc. were present at the bottom and at the top of social change: they channelled it in the workplace, and engineered it behind the walls of boardrooms and ministries. And, however unpleasant it was for revolutionaries, the crowds that marched the streets in 1936 or 1960 usually regarded socialist and

Stalinist parties as "theirs". In 2002, most demonstrators vote for the Left for the want of anything better.

Parliamentary democracy remains the political form of modern capitalism, however degenerated present electoral and party life might appear to the eyes of Eugene Debs or Keir Hardie. Therefore a new "social compromise" would have to produce its own political organs and relays. The embryos that exist aren't a rising force. Unions and socialist and Stalinist parties derived their strength from their roots in the class struggle: they were born out of wage-labour's confrontation with capital. Nothing similar is coming up these days.

BETWEEN INSURANCE AND ASSISTANCE: SOCIAL SECURITY AND/OR DEPENDENCE

The Welfare State gave the protection of a social security system, where every employed person paid for others in need (the sick, the old, the jobless), and was almost certain to get back to work after a recession or an illness. That system has not vanished, it's been degraded and combined with another based on its exact opposite: public assistance (plus private insurance for the middle classes who can afford it).

Aggressive Thatcherism and soft Mitterrandism had something in common. The Iron Lady divided human

beings into the enterprising ones who were worthy of the modern Horn of Plenty, and the lazy lot who shop at discount stores. Mitterrand's Minimum Integration Income ("R.M.I." in French) has about one million recipients (plus their families), few of whom get integrated again into proper work. Such a scheme seems more generous but also institutionalizes a social ghetto.

Dole money and social benefits have not been just cut down, but multiplied and made so complex that the recipient becomes more and more dependent on guidance from a social worker. The same person who's asked to be active again is kept even more passive.

Workfare, on the other hand, mixes reduced welfare with forced "community" work. Everyone knows how unproductive such labour is. If it were applied on a large scale, this solution (legalized in the US in 1996) would only swell the ranks of the underclass. This most advanced capitalism is a soft imitation of the workhouse method given up by the Victorians 150 years ago. Keeping the unemployed busy was tried in a compulsory way by Napoleon and later by the workhouse supporters, and on a "voluntary" basis by the French republicans in 1848: though such schemes aimed at moralizing and re-socializing the poor, they merely made the bourgeois feel safe.

This new regulation wavers between a Welfare that's close to assistance financed by taxes (thereby through a stronger pressure on profits and even more on wages), and an impracticable liberalism (no-one seriously thinks of getting rid of the social democracy the West and Japan have known since 1945). Until now, hard and soft options all have proved short term. In the rich countries, "health" is becoming a major economic sector[13], partly private, partly public, and a lot of it is funded by taxation, thereby persisting in a Keynesian logic, while at the same time the State favours pension funds.

Capital cannot promote a new system of production by adding heavy doses of liberalism to whatever Keynesianism is left, but by going beyond both.

DE-SOCIALIZATION

Capitalism integrates to a certain extent, and you can tell a dynamic capitalism by its reducing the inequalities it creates. On the contrary, their aggravation signifies the failure of integration, especially when inequality is perpetuated in the same families and neighbourhoods. A caste- type division is incompatible with a system based on the principle that one person is worth another, and on the reality of "equal" exchange between labour power and a sum of money. Large-scale impoverishment before

1848 and between the two world wars is a sign of social failure.

One of the places of socialization is school, but this socializing happens through learning something. School no longer fulfills its function if it teaches hardly anything to a big portion of the young or stops giving them any useful (= employable) skill. In most Western countries, many schools now do little apart from keeping on their premises youngsters who have few employment prospects. As a side effect, this evolution makes life harder for those middle classes with only a "cultural" capital that they want proper schooling to valorize.

Complete restructuring would imply an education system that does not socialize just by cushioning violence, but by enabling a large minority of social ghetto off springs to get into relatively stable wage earning.

What is known as "quality of life" is part of the ability of labour power as a commodity to play its role in the whole socio-economic cycle. If there's a permanent malfunctioning of public services, low social mobility, a dramatic increase in the number of have-nots, capital risks not only under- consumption, but what the GLAT called in 1974 "the destruction of labour power". A

society that breeds too much inequality mutilates itself, and makes its own reproduction more difficult.

"Wage-earners are depressed, over-worked, anguished and stressed. The employers face lower productivity and profits, and have to hire more often new personnel with increased recruitment and training costs. Governments have to pay for health and social benefits, which entails a drop in earnings for the nation."14

No wonder work accidents, new occupational diseases and workplace-induced mental disorder have recently become a source of public debate and concern. They increase the incidental expenses of valorization, and eventually destructure society.

Thatcher's frontal attack on the working class smashed rigid labour practices and rules that were detrimental to English capitalism, but it also locked part of the proles in a durable poverty and helplessness that backfired on the system. The creation of a permanent outcast stratum led to a double labour market. As the casualized for life gave up looking for good jobs, there was less competition for these jobs, which forced the bosses to increase wages. One of the purposes of Blairism was to restore mobility between the various categories of job-seekers.

A "dual" society doesn't suit capitalism, which is based on a minimum of competition at all levels, including the circulation of ideas, of power, and of human beings. The problem is not that some are left out, nor that consumption is unequal (as indeed it must be), but rather that this circulation can get blocked. An efficient labour market is run in such a way that its periphery (the exchangeable and disposable workers) consolidates its centre (where skills are required and given training and promotion).

When Churchill lowered the workers' standards of living in the 1920's, when Laval forced down French public sector employees' wages in the 30's, they were clever but shortsighted politicians: they managed to quell worker unrest (such as the 1926 General Strike in Britain) and to put finance back on its feet again for a while, but never promoted the social regulation suggested by Keynes and implemented by Roosevelt - against a large fraction of the bourgeoisie, and under the pressure of sit-down strikes.

Nowadays, in the US, put ting anti-social elements behind bars (400,000 inmates in 1975, 2,000,000 today) and waging a class war against the ghettos, while maintaining part of the Welfare system, do not contribute to the emergence of a new social balance. The

"anti-drug" campaign (which includes tests in the workplace and military interventions abroad) is a reminder of the Prohibition that came with the Red Scare and union-bashing after 1917. Eighty years later, the repressive and moralizing escalation reveals another social failure. The spate of executions (= legal killings) contradicts capitalism, where nearly everything (even crime) can be bought off or compensated for. The imposition (first in the US, then in Europe) of curfews for kids shows the system's limits in integrating the young. The growth of an outlaw economy (drugs, particularly) as a social safety valve can hardly be interpreted as a healthy sign.

Capital is not peaceful, but wherever it rules, it tends to encompass everything. The crushing of the Paris Commune, the Nazi camps, signified a victory of the ruling class, not the vitality of a system. In the US, the development of poverty-stricken areas and the increasing militarization of the police show a persisting crisis. A State that has to send tanks in the streets every ten years to solve its minority (= proletarian) problems only proves its failure. A real success would have been to integrate the Blacks (as when millions of them went into industry after the 1930's), and to appoint C.Powell and

C.Rice to top government posts, without having the ghettos explode.

At one extreme, consumer frenzy, socialized privatization, and Internet: never before have people been so apparently autonomous while belonging to a whole that separates them, opening them up to a universality that isolates more and more. Sociality is reduced to an addition of individuals.

At the other extreme, the Los Angeles police taking on the dangerous classes with the same faith in all-mighty technique as the us Air Force bombing Serbia: car or helicopter patrols (instead of cops on the beat), marked-out territory (thousands of L.A. roofs have numbers painted on them), as M.Davies' City of Quartz explained in 1990. In order to be controllable, the megapolis was turned into a gigantic computerized and geographic checkboard.

Two years later, however, the riot revealed the limits of social wargames. L.A. is not the "city of the future", only one demented face of urban life. Capitalism is based on circulation, not social or ethnic apartheid. A State that counter-attacks by waging war on sections of the population proves its brutal might, not its social refoundation. In 1932, when thousands of peaceful

unemployed veterans were camping in Washington, the rulers replied by having the army march on them. This was before the New Deal.

The strength and depth of the former system was reflected in the myth of the "Average American", the common man, who appeared in the first half of the XXth century. He had no equivalent of course in Hitler's Germany or Stalin's Russia, nor did he before World War II in France or Britain, where rank and status differences were still upheld as principles. Such a unifying image could not exist without the equalizing effect of generalized wage-labour and mass consumption. The social rifts of the 1960's and 70's tore away a figure that has remained heirless to this day. Our world has given up reflecting its unity.

A NEW WAY OF LIFE?

The market alone is not a unifier, because commodities bring together and divide. Objects are bearers of social relationships, but don't create them. Mass consumption divides: it allows everyone to belong to a given "tribe" (or to several), but it neither reunites nor structures like the "labour world" used to.

No society ruled by wage earning could be a "leisure civilization". Leisure comes afterwards, as an aftermath

of work. As for gratuity, a world based on money will always disregard what is free. Stamp collectors, mobile phone users, TV viewers and internauts only form a possible community if and when they do more than put stamps in an album, use a phone, a TV set or a computer. Services imply objects and matter. Tourists may wish to plan their trip to Latin America from the comfort of their homes: few would be content with a Machu Pichu of pixels. Only mutants could live virtually.

The motor car and the TV embodied a way of life because they helped structure daily life. There was unit y between producing and consuming the symbols of modernity. In 1960, the Chrysler's unskilled worker could drive a Chrysler. Although no-one believed he'd made it with his own fair hands like a watchmaker made clocks, everybody saw the connection between work and the satisfaction derived from the object. In 2002, where does your computer keyboard come from?

Likewise, a car is a moving private space that's able to gather together the nuclear family. PCs, CDs, mobiles only unite while keeping each person at a distance from the other. They connect people through the expansion of a billion individual spheres that each stretches its wire to the other side of the globe, at the expense of a common public space. This creates a new mental and emotional

poverty. What's true of digitalized communication also applies to trivial objects: from the jogger's baby bottle to frozen food, a lot of items are designed for individual use. Sociability is not suppressed, just ever more subtly outdistanced, disincarnated. Everyone can contact (and maybe soon see, and then touch, thanks to the data glove) all his friends, at any time, but will be less and less with them. Can we be social without actually getting together in person? Tele-life and tele-society won't exist anymore than tele-work has any chance of being generalized. The juxtaposition of privatized time- spaces, the culture of the ephemeral, the "aesthetics of disappearance" (P.Virilio) --these are contradictions in terms. None of that will recompose the failing social link.

No form of consumption yet structures life as the motorcar (with the individual family house far from the urban centre) used to. The printing press brought a revolution in reading. Hardly anything that is possible through Internet is new: it speeds up some acts, buying for instance. But the e-business comes up against the banality of matter, as shown by Amazon's setbacks. Ordering may take a few seconds, but the commodity has to be manufactured, stocked and delivered. It'll take some time before a book ceases to be a block of printed paper that the prospective buyer will wish to handle. The

same applies to a shirt or a vase. Until the species mutates, only objects with a low affective value will be chosen on a screen. The daily life of the Londoner in 2002 is close to what he could have known in 1970, whereas a world separated 1939 from 1970.

DECLINE (AND NOT YET FALL) OF "DEUTSCHLAND A.G."

"Rhine model" (co-management, social protection, strong domestic consumption, growth based on exports of quality industrial goods) is holding out. The "social market economy" was the German version of Fordism, and Volkswagen probably the only true Fordian Company. Germany had to stretch itself to absorb the ex-GDR: in the East, before the present recession, unemployment was already high and re- industrialization was lagging behind. The German nationally managed labour-capital compromise is now threatened, but not destroyed by "globalization". In some fields, it is even expanding: the unions recently received more co-management powers, the government set limits on casualization, saved a big firm from bankruptcy, and workers get higher wage increases than the bosses want.

European and world competition, however, prevents German capital from giving eternal preference to social

cohesion over economic performance. Deutschland A.G. is showing signs of change.

The coupling between banking and industry (which was essential to the "Rhine model") is doomed. The merger of the Deutsche and Dresdner banks will create the largest banking company and lay-off 10% of the personnel. In spite of the birth of Verdi, a mammoth union in the services, the number of union members (which remains high) is going down, as the proportion of wage earners having a works council. In this context, the recent progress of joint management seems to be adding a new floor to a building with shaky foundations.

Something is emerging, but not asserting itself.

EMPIRE OF THE SETTING SUN

The drive behind Japan's success was unbeatable: it sold as much as possible outside the country in order to pump up trade surpluses. But this formidable logic contains an inescapable flaw: you can't get rich by pushing your partners into debt. It led Japan into enlarging the scope of its sales, developing over-capacity in order to fight competition, investing in risky business (therefore nurturing "bad debts"), until finally suffering from market saturation and insufficient surplus-value creation. Such

escapism had to slow down as early as 1990, quite a while before people talked of an "Asian crisis".

It took less than ten years for the herald of the "Toyota spirit" to be a victim of the obsolescence he was so good at engineering for his car models. The cliché is now to depict Japan as a fragile giant. The adherence of the worker to his firm through a protected job and systematic mobilization, the interplay between exporters and the Ministry of Foreign Trade (the MITI), the near fusion of finance with industry (six keiretsu, each centered around its bank), all these characteristics formerly described as proofs of strength, are currently analyzed as sources of dangerous inflexibility.

It was no secret that life-guaranteed jobs (the fruit of hard protracted struggles) only concerned big firms and mostly male workers. Sub-contractors and smaller companies have always offered much lower wages and worse work conditions. Moreover, apart from its world-competitive sector, Japan shelters a protected domestic sector, and their co-existence entails an average productivity inferior to that of its competitors.

But the consequences of this duality have only recently come to light. Japan was a pioneer in robotics, but failed to reform the wage-labour relationship as a whole,

particularly in the building and the retail trades. It neither made labour mobile enough, nor encouraged an easy flow between stable and casual work. As in Germany, the priority given to social peace (and to privileged bourgeois groups that dominate the keiretsu and their connections with the State) acts as a brake upon a "market revolution" which Japan has resisted more than any other country.

It's striking that at the end of the 1980's, when deregulation was fashionable, Tokyo tried to patch up the situation by more Keynesian policies, launching a huge public works program, swelling a public deficit which in 1990-92 broke all advanced countries' records. (Such public works continued throughout the 90's.) One of the first world creditors was led by one of the most endebted governments. In 1998, the 17 biggest Japanese banks were insolvent.

Since then, a large part of the banking sector has been taken over by foreign investors. In the past, big companies were protected from bankruptcy because of their close ties with finance. Now they can go bankrupt, as did the Sogo department stores in 2000.

Japan's "meso-corporatism" {R.Boyer) is tottering but still going. Economy and State have been separated but not

divorced. Sectors like the building trade are still highly protected. There's a persistent effort to promote export surpluses. Political competition is still warped by the monopoly of one party over central power since 1945 {which forces inter-capitalist conflicts to be solved through clan feuds within that single party). Japan has not yet fully entered what it calls resutora: the 1997 crisis reveals the necessity and the difficulty of restructuring.

ALL DISQUIET ON THE EASTERN FRONT

Stalinist counter-revolution would have been impossible if it had not given the wage earner a guaranteed job and income, albeit quite low, yet with a few social perks. Compared to the situation in the West and Japan, that compromise had the originality of being able to ask everything from the worker, apart from intensive work.

In spite of Lenin's fondness for Taylorism, Scientific Management hardly made its way into State capitalism, where the proportion of unskilled workers remained fairly low.

In "State" as in "market" capitalism15, social evolution depended in the last analysis on the need for capital to rule labour in order to make it as profitable as possible. In the West, technological (Taylorist) and social (Fordist) innovations deprived the skilled workers of their know-

how and eventually depleted their autonomy and resistance. "Backward" Russia kept the former production system (large-scale industry, often very similar to Marx's description in Capital), but put the workers under a bureaucratic (and police) control that was only efficient to the detriment of productivity.

Let's leave aside the ex-GDR, which was already closer to Western standards.

In over ten years since the Wall fell, bureaucratic capitalism has gone into near stagnation. Just a few countries (the Czech Republic, Slovakia, Hungary, Poland) manage to reach 1989 production levels.

Foreign capital is attracted by low labour costs: it expects short term profitability and transfers little advanced technology. It only sees the Balkans as a producer of oil and gas, and in fact treats that area as a third world on the outskirts of Europe.

Obviously Moscow could not become a replica of Seattle in a short while. Perhaps there's a slight resumption of accumulation in Russia: barter and "fiefdom economy" may be on the decline, and investment on the increase. But the preconditions of capitalism {economic and political competition) are far from prevailing in Russia or neighbouring countries.

Even a mild version of a "Marshall Plan" is unthinkable in any foreseeable future. No rich country is rich enough to play the part of the US after 1945. What's more, the vast majority of the ex-Eastern bloc would be incapable of making Western money yield a profit.

It's not economic indicators we're talking about, but social dynamics. In the USSR, cost-inefficient firms struggled along under State supervision, and maintained some minimum social cohesion. Forced centralization has come to an end: the Ukrainian or Moldavian factory has to look after itself. Very few will be lucky enough to comply with international norms and costs. Among the others, some will close, some will survive from hand to mouth. Exchanging bureaucratic for world domination means the break-up of a social balance which the shadow or black economy does not compensate for: the mafia redistributes wealth worse than the Kremlin, and maintains less law and order than the KGB.

NEW INDUSTRIAL COUNTRIES: THE LIMITS OF EXPORTISM

As in the other sections, we won't try here to draw upon circumstances to prove long trends. For some Asian countries, the worst of the 1997 crisis could well be over. What we're interested in is not the depressive condition

of these countries, rather the nature of their alleged good health.

Capitalism is and supposes a fairly homogeneous, quantitative and democratic space, where each supplier of a commodity is worth no more than the commodity he is offering: in other words, this is the opposite of qualitative differences, of caste or ethnic boundaries. A country can only develop these conditions from inside. North America created them because the then most dynamic part of Europe emigrated to a continent where the settlers cleared the path for their way of life as we know they did, i.e. through genocide. Then these Europeans succeeded because there was room for their rising capitalism on the world market. On the contrary, what's been labelled "exportism" stakes its future on a market it does not control, or even (in the case of de-location on capital it does not control either.

The 1950's proved the fragility of a South America that had been able to promote import substitution industries when the international markets contracted after 1929, but was unable to resist the renewed pressure of exports from the major powers after 1945. In the last twenty years, sub-contracting and de-location have brought few long term benefits. There's even some re-location in rich

countries, as in the case of textile factories going back to the US, where automation makes them profitable again.

The "Dragons" (Hong Kong, Taiwan, Singapore, South Korea) and the "Tigers" (Thailand, Indonesia, Malaya, the Philippines) are deeply dependent upon exports, more so than a country like Argentina in 1950. (In comparison, Japan has export/import and export/GNP ratios close to those of Europe and the US.) The weakness (or absence) of autonomous growth is a decisive handicap: those countries were able to manufacture first ordinary consumer goods, then sophisticated items, then machines, finally some High-Tech. Unfortunately the world market turned out to be too small. Except for Hong Kong, their strength takes after bureaucratic capitalism: centralization of a State-led economy, dumping, Korean chaebols operating like Comecon industrial-financial complexes, etc.

The very nature of the "Asian recovery" after the slump is a sign of vulnerability. A lot of it comes from (mainly Korean and Taiwanese) information technology exports, many of them targeting the US. However young they are, those countries are latecomers in a capitalist world that rejuvenates itself more quickly than they can.

Nobody wins the world competition game without a proper domestic market. Starvation wages and technology transfers will never make it possible to manufacture in Djakarta or Manilla a car that meets European standards and can be sold in Brussels 10% less than a Renault or a Fiat.

In 1950, France and Italy had growth potentials: there was solvent demand for a supply about to develop. Today's world market does not provide enough room for countries living off foreign trade. From Rolland in the XVllth century to Japan in the XXth, no emerging country ever made it that way. Capital does not mean just manufacturing cars, but having them bought and driven in the country that produces them (as we said, this implies a road network, therefore a unified territory and an efficient central power). We can't talk of homogeneous domestic markets in East Europe or Asia (Japan and Korea excepted), where modern consumption moves on shaky ground.

Chinese capitalism has assets which most "exportists" are lacking, notably a national entrepreneur class that had long only operated on the international level, not on Chinese soil. Now it's begun to take control of Mainland China, in conjunction and in rivalry with the bureaucrats. But this drive is concentrated in the South and leaves the

rest aside. No growth can just split a country into two and forget about most of its territory and population. The US, Germany and Japan were new industrial countries in their time: but only because they gradually managed to enlarge the circles of exchange and production to the vast majority of their people.

Moreover, excess foreign investment desperate for profit dopes up but exhausts the growth of weak countries. In 1997, half of ASEAN exports carne from relocated Japanese companies, and so depended both on the situation of their buyers, and on the economic fluctuations in Japan.

Like their Nippon neighbours, South Korean banks tend to keep industry afloat to the very end, even beyond the point when it stops being profitable. True, Korea has started giving up the fusion between finance, trade and industry, let ting Daewoo (the second biggest carmaker in the country) go into liquidation, followed by others. This is certainly related to the existence of a real domestic market, of an organized labour movement, of contractualized labour-capital relations, and of a (recent) democracy, with replacement of the ruling elite through an electoral process. Yet, such changes did not prevent Korea from staking its economic future on more exports, which went up from 30% of GNP in 1997 to 45% in 2000:

22% of exports went to the US, with half in the electronics sector. In other words, when the market shrinks, Korean production increases.

CAN THEY INDUSTRIALIZE THE THIRD WORLD?16

1939-45 shattered the colonial form of capitalist domination. The Fordist phase in the most advanced capitalism went along with economic growth in a large part of the world. From Malaya to Cuba and Algeria, colonies became new States, often built on borders carved out by their former rulers. Many new independent countries were born artificial and unstable, others were powerful, but in most cases, a typical feature of that period was an attempt to reverse the terms of unfair trade (creation of the OPEC, 1960). In practice, however, they usually specialized in raw material exports used by the industry of the major powers. Traditional ways of life (self- sufficiency and food producing) were abandoned, and foodstuffs as well as capital goods began to be imported. Therefore, these countries entered the world valorization system in a twofold way, through exports and imports.

Let's add the growth in the State capitalist zones.

Stalinist bureaucrats and national liberation front leaders shared the ideology of development, and tried to

stimulate the productive forces. The general drift from the countryside was another word for proletarianization, whether the millions of people involved finally got a job or merely some roof in a shanty town. (Besides, international aid designed to defeat famine further destructured the local peasantry.) Everyone talked about socialism, and every government did its best to lay the foundations of capitalism: creation of a national currency, of a tax system, planning, a boost to trade and industrialization.

The 1980's completed the picture by the addition of a series of countries that benefited from production de-located by modern capital, but were bound sooner or later to pay the price of this dependency.

The move from the colonial era to post-colonialism happened at the zenith of the Ford-Keynes system, and meant a deeper capitalist stranglehold on the world. Whatever face it was put ting on, it could pride itself on a "progressive" nature, and pretend to be the best way into 'modernity", i.e. feeding billions, saving babies, schooling the kids, nursing the sick, bettering everyone's lot, increasing life expectancy, freeing women, etc. However false and murderous that program was, it could claim some factual legitimacy. W.Rostow, adviser to Kennedy, who praised "the stages of growth", and

P.Jalée who denounced "the plunder of the third world", interpreted "development" in utterly different ways, but both believed in it.

A twenty-year crisis has put that picture into jeopardy.

In the last 25 years of the XXth century, the share of raw materials (apart from oil and gas) in world trade has been divided by half. The "debt crisis" has reinforced the domination of a few countries over most of the planet, and "fair trade" is as valid as an ideology can be.

Assessing what used to be known as the third world requires more than statistics. Quite a few countries have seen an increase in production, in the foreign trade/ GNP ratio, in the proportion of wage-earners among the working population, and in the relative importance of industry and services compared to the primary sectors (agriculture, mining, etc. Countries like India (where large European companies contract out some of their bookkeeping) and Mexico (the north of which is an annex of US economy) have reached Western efficiency and production standards. As a symbol of change, the tallest high- rise buildings are now to be found in Asia. Downtown Singapore or Sao Paolo strike us as more modern than the centres of Milan or Berlin. We're not arguing nothing has happened since the 1975 recession.

Here again, as in the "profit debate", the point is about social balance and evolution.

Capital de-structures and structures, through what J.Schumpeter called "creative destruction". In 1960, countries like Venezuela or Argentina had created an industrial basis, and often paid real wages similar to those of Belgium. Today, capital de-structures more than it structures.

A relevant indicator is the ability not just to at tract investment, but to keep it. When it only takes a flight of capital to block the modern sectors of an economy, it's a sure sign of an ersatz capitalism.17 Mexico certainly has more factories and workers now than in 1970, but went close to defaulting three times in about twelve years.

If we look at Brazil, a full picture ought to take into account the success of Embraer (one of the world's leading aircraft manufacturers, albeit in a special niche), and the fact that this giant had to cut down its electricity supply by 25% for several months, with obvious consequences on its economy.

However contrived and limited it was, former "national" growth worked as a social stabilizer and integrater. In that respect, the present situation is one of overall disruption. World standards block extensive

accumulation, either in the form of light consumer industries or of heavy (Soviet style) industrialization. As for intensive accumulation, newcomers have a rough time beating the West at its own game.

The ex-third world got two poisoned gifts. Only industrialized countries (Britain, Norway...) are able to make the most of their oil resources. In Nigeria or Algeria, this heaven-sent wealth made social contradictions worse. And now countries which benefited from de-location find it even harder to initiate an autonomous development.

In the 30's and 40's, through a compromise between State, national bourgeoisie and labour movement, Cardenas (Mexico, 1934-40) or (in a more authoritarian "populist" way) Vargas (Brazil, 1937-45) and Peron (Argentina, 1946-55) tried third world versions of regulated capitalism: State intervention, minimum wage, social benefits... In today's Venezuela, Chavez only provides a caricature of such leaders. Where Cardenas mobilized the masses through the political prospects of a prosperity based on the nationalization of oil against us interests, the average proIe is now offered local self-help business thanks to micro-credit and the assistance of NGOs. Where people had dreams about the autonomy of

a whole country, they now have to make do with the autonomy of a district or village.

The weakest countries break up, especially in Africa, where the State is often out of joint: international aid feeds the poor and pays the civil servants and the army. Capitalist logic undergoes an involution:

* Barter, once on the economic fringe, comes back on stage. Not only are goods exchanged without money, but wages are often paid in kind.

* Some areas regress to early colonial times. There was some trade between the home country and its possessions: we now witness straightforward plunder as in the Congo region, which reminds us of conquistadors' behaviour in America.

* Rival minority interest groups multiply, with divisive effects. Socialist bureaucrats and third worldist leaders alike managed to impose some "national" unit y because they could rely on the relative centripetal motion of a unifying economy. Groups now split from the rest of the population and transfer their loyalty to an "ethnic" difference against a national entity that's incapable of integrating them (see Indonesia and the Philippines). Private militia often replaces army and police.

* Borders are essential to a State because they delimit the extent of its authority. Quite a few frontiers are no longer controlled by central power, as proved by the increasing numbers of pirates, smugglers, and dealers in illegal arms, drugs, diamonds, etc.

LOOSER CONTROL OVER THE GLOBE

With the crisis of Fordism came the end of us economic supremacy and of a joint political US-USSR condominium. The US now dominates (sometimes even more than before) a world it does not master. This situation is a strategic reflection of unstable social realities.

The search for separate antagonistic identities and the persistence or extension of "under-development" are indeed common features of capitalism. Capital's logic was never to turn every village square into a glittering image of Amsterdam or Chicago. But the restructuring that capital has been undertaking for over twenty years will only succeed if it is able to re-unify its most modern areas, and reorganize the world around them. Capital today does not master its outskirts as it did during the Cold War, and it is questioned in reality as well as in people's minds. Of course, since the end of "socialist" countries and the demise of the old labour movement, no ideology has seriously put forward an alternative

solution, and capitalism seems unchallenged. But its success 1s more negative than positive: it is so far unable to re- organize the world as it previously did.

After 1945, after 1960, the end of the colonial era went with millions of deaths and refugees (the partition of India, the endless wars in Indochina and Africa...). But out of that bloodbath came territorial units, which acted as the framework of some capitalist development. Nowadays, turmoils on the fringes of all empires or ex-empires, in the Balkans, in the Caucasus, in Tibet, in the 8in-Kiang, reveal difficulty in controlling the old structures shattered by the advance of commodity and industry, and then by their crisis. The planet is no longer pushed on by a thriving capitalist penetration, but by its contradictions. This in turn provokes a backlash: crises within the dominated zones project their effects into the heart of the dominating zones.

Capital now has trouble building up the political and social structures that would befit its trans-nationalization.

The "industrialist" ideology that prevailed a few decades ago has lost its unifying impetus. We won't deal with "anti- globalization" movements here. Let's just remember that militant Islam, from North Africa to

central Asia, claims to be anti-capitalist. In China, it's not just democratic reformers that stand up to the bureaucrats, but the Falun Gong, whose program opposes tradition to modernity. No leader like Lumumba or Nasser arises today.

What is now known as "September 11'' probably did not change much on social and geopolitical levels. In the realm of images, it revealed how valorization has a hard time dragging along most of the globe. Symmetrically, the positive reaction of many "poor" the world over to the attack on New York and the Pentagon shows a refusal without perspectives: here again, the capacity for action is mainly disruptive.

Capital today is currently better at destruction than re-construction. Gated communities of relative prosperity are surrounded by wastelands that run wild because they're unfit for valorization. The big powers treat these wastelands according to their (competing) strategic interests: they capture mineral and energy resources, and send in troops and aid when disorder threatens the required minimal social balance. Their soldiers only mediate between factions which they do not really force back into national unit y. In Bosnia, in the Kosovo, in Macedonia (not to mention Africa), they oversee and manage a territorial carve-up.

As a consequence, "European construction11 poses a very different question from that of the Common Market in the 50's: how can the EU integrate much less developed countries? At what cost?

AN (AS YET) UNMATURED CYCLE

Whatever we analyze as signs of an incomplete restructuring: the reduction of labour to a cost; the tendency to make up for insufficient profitability by finance escapism and mega-mergers; the aggravation of class contrasts; the decline of the wage system in the ex-Eastern bloc; the rarity of autonomous growth; the explosion of uncontrolled conflicts on the periphery of prosperity... 1 all these symptoms of capital's inability to socialize what it rules could be interpreted as indicating a healthy aggressive condition, and as proving the implementation of a new system of production.

We're not arguing over a half-empty or half-full glass. Our concern is the overall pattern and process of evolution. Even at its core, in the US, Fordo-Taylorism's domination was never total, but it carried along the whole of capital-labour relations. In 1950, the world was far from pacified, but it was organized on both sides of the Iron (or Bamboo) Curtain around the expansion of exchanges and wage-labour, in Egypt as well as in

Canada. This is no longer the case. The restructuring that started about twenty years ago is still going through the liquidation of obsolescent infrastructure and labour, and vast areas (including in Europe) lie fallow: capital penetrates them without being able to force wage-labour on them, or sometimes without being able to dominate them. This has nothing to do with decadence or historical decline: a new production system is already there, but not yet consolidated. A modified wage-labour relationship (that would imply an altered way of life) is breaking through but not asserting itself. Capitalism is still looking for the Roosevelt of the early XXIst century (certainly not for a Hitler).

Some bourgeois may figure that restructuring is achieved now since their companies manage to promote what's profitable and neglect the rest, i.e. leave it to the bitter mercies of diminished Welfare and police repression. They're not the most lucid members of their class. They forget that a social system only exists if it has social coherence. A development cycle can't live as though its normal state was an in-built imbalance, an always potentially explosive contradiction, in other words a sort of permanent "final crisis"...

A new system of production will or would be based on the opposite of what is described as its triumph: a head

on attack on wage-labour. The English ruling class did not overcome the troubled 1840's by pushing more and more craftsmen and factory hands out of work and into starvation. Fordism was not built on pauperization. As proved by large-scale industry and later by Scientific Management, an emerging system of production must be able to increase labour productivity while also extending the wage earners' share in consumption.

Most of the tendencies we've analyzed as signs of an unfinished restructuration are exacerbated in the US {where nearly a third of OECD production still came from in 1990). We can hardly talk of a new boom when the gap is widening between a mass of disparaged jobs and a privileged minority working in well paid Hi-Tech services. In 1960, in exchange for hard work {which few ex-unskilled feel nostalgic about), the Ford worker, although he was a statistical minority, stood at the centre of social gravitation, and his condition was accessible to nearly every black or white American. Today no category plays this {real and symbolic) part.

Present neo-keynesianism (or what is called "liberal interventionism") is lame: it walks on one foot (State investment) and neglects the other (the wage itself as an investment, and the whole social environment that goes with it). We're not witnessing the climax of a different

era, but rather its early days, as in 1940 in North America or 1950 in Western Europe and Japan, and so the ambiguities of its rise. Ford pioneered new technique and wage systems, but was backward on the commercial and social sides, and even tried to foster his anti-semitic creed among his personnel. He was long opposed to the marketing that Sloane successfully promoted at the head of GM, and had militant workers and union organizers repeatedly beaten up by his 8.000 strong private army.

The full advent of the Fordist compromise was the result of converging contradictions: crushing defeats (Italy, 1922; Germany, 1933), apparent workers' victories that later ended in disaster (France, Belgium and Spain, 1936), successful strikes (the US, 1937). Paradoxically, the coming of a new production system ensues from opposite movements, the conjunction of which (combined with the accelerating effect of war) ends up regenerating capitalism.

A historical crisis is when contradictions explode, but also when they can be solved. "68" was no revolutionary crisis for the two fundamental classes involved. In the most advanced countries, unlike what had happened after 1917, a sort of tacit consent united the workers and bourgeois in a reluctance to go too far. In Western

Europe, in the US, in Japan, the fall of whole industrial sectors was dramatic for the proles, but capital managed a soft landing that postponed the day of reckoning.

It took fifty years between the 1917 and 1968 crises, between the rise of the skilled workers and that of the unskilled. The reorganization of dead and living labour accumulated through Fordism could not be completed in a few years.

The next compromise will only consolidate and bear fruit (opening the way to the possibility of a critique) after the defeat or restraint of revolutionary endeavours: only a social shock will force necessary reforms upon rulers and ruled. In other words, immediate and even short terms communist perspectives are rather dim.

WHAT'S AT STAKE

The writers and readers of these lines are less concerned with capital's restructuring than with its possible de-structuring.

"(..) it's always a fraction of the "new" proletariat that causes revolutionary crises (because) the evolution of capital (. .) shifts the centre of capital and so the "centre" of the proletariat. This was what the craftsmen did in 1871, the skilled workers in 1917-23, and the unskilled

from 1960 to 1973. Service sector categories will cause the next revolutionary crisis." (Bulletin Critique, Rouen, n.5, 1980)

This statement is less a prediction than a way of posing the question. Unless the future entirely differs from the past, we can assume that the categories playing a key role in the economy and therefore, in a society led by the economy, in society as well, will have a particular role in the evolutions to come. We're not replacing the machine-tool by the word- processor, nor the metalworker by the data keyboarder. We're just trying to perceive the full dimension of computerization, one consequence of which is to bridge the gap between office and workshop. The service sector underling, in the XXlst century, is not just the traditional clerk or shop-assistant: he could be a supermarket cashier, a warehouse worker, a call centre or mail-order firm employee, a lorry driver, a computer assembler, etc.

Actually, the above haven't yet coalesced in a critical mass. Their common point doesn't yet exist in practice, through struggles that would create self-organization and self-awareness.

Although the unskilled had been a sizeable group in manufacturing since the early XXth century, they only

broke through in the 1960's as a category conscious of its lot as a social symbol and therefore a unifier of wage-labour. The huge sit-downs of 1937-38 in America were claiming the rights of labour in work that wasn't itself questioned. Thirty years later, the critique of work became possible and meaningful in a world that was saturated with work. A historical cycle doesn't go through a structural crisis unless it first expands and blossoms out. The new social category will only realize and gather its energies when the cycle reaches its peak -- which also implies a rise in the quantity and quality of struggles.

This is not yet the case, as even violent workers ask for work, or for more redundancy money.

The current renewal in protests and strikes, in Europe as well as in America and Asia, is only strong compared to previous drastic failures. The recapture of Fiat by the management (1980), the stifling of the French automobile strikes (1982-83), the closing of the mines in the East and the North of France, Thatcher's victory over the coal miners, Reagan's over the air traffic controllers, these are but a few landmarks in a series of defeats, with millions of people made redundant. In fact there would have been no new struggles without the resumption of hiring after years of lay-offs.

These present movements are mainly reactions to attacks, most of the time to downsizing, to lower wages and fewer benefits. True, American and German air pi lots got substantial pay rises (20% at Lufthansa). In France, before the December 1995 public sector wave of strikes, there were some tough conflicts, for example at Renault and Belin: the strikers asked for the same big wage increase for all, escaped union control, created their own strike committee and tried to extend the stoppage outside the firm. Younger workers played a decisive role in a radical minority that sprang up. But the bosses stood firm, the unions got back their control over the rank-and-file, and the action failed to expand.

Since then, the situation has turned to the advantage of capital, with more wage cuts and redundancies, not because of those rapacious shareholders depicted as the evil-doers of neo-capitalism, but because of the usual need to make large over-capacities productive again --or to dispose of them. (Once more, this shows a quite different context from the 1960's.) Wage-earners fight with their backs to the wall, and the workers' autonomy stagnates: the Italian GOBAS aren't developing, the French "coordinations" vanish or mutate into parallel union structures, while a (small) renovated unionism is

on the way up (SUD in France, the CWA in North America).

A movement is indeed shaping up among the wage-earners that are typical of the new system of production, but is far from gathering momentum. In the US, three victorious strikes hit at modern companies: UPS in 1998, with support from "public opinion", then at Boeing and Verizon. Boeing's white collars refused stock options and asked for (and got) a wage rise instead. (At UPS and Boeing, the workforce was also fighting a decline in social benefits.)

The exception does not make the rule. Struggles mainly remain counter-attacks, in spite of recurring violent and direct action (at Collatex, Heineken, B.Faure, Moulinex, Bata.., to quote only French examples18). But if the Collatex personnel ended up by put ting at risk the very existence of the factory (and of their means of existence) they'd gone on, strike to protect, their militancy accepted the constraints of the factory and of the union.

In 1967, the strikers of Rhodiaceta (a chemical plant near Lyon), who became a symbol of pre-68 times, weren't responding to direct management aggression. They were out to get what the management had always stood

against: Time to live ("Du temps pour vivre"). Collatex strikers resorted to radical methods against a factory closure, and this is where their radicality ends: it's capital that still has the initiative.

Finally, although we won't take up here a subject that deserves more than a passing comment, gatherings, demos, riots and informal networks like the ones that were active in Prague or Genoa, and are now against the "war on terrorism", etc. , surely reveal the emergence of an "anti-capitalist" movement that's full of life and confusion.19 In the words of a Genoa demonstrator: authentic revolt, feeble demands. A communist perspective won't come without significant debates and splits within these milieus. And this won't happen away from or outside of radical actions in wage-labour. In 1967, although they'd certainly never met, an actual link united the situationists to the Rhodiaceta strikers who aspired to another kind of life.

G.Dauvé, K.Nesic - February 2002

- 1. This is a slightly modified version of G.Dauvé and K.Nesic's Il va falloir attendre I Bref rapport sur l'état du monde, troploin, 2002 (also available on our site). We've left out nearly all notes that refer to French language books and magazines.

- 2. Troploin Newsletter, n.1, 2001: "Grey September"
- 3. Lutte de classe, Groupe de Liaison pour l'Action des Travailleurs (GLAT), May 1977.
- 4. Marx, Capital, vol.I, chap. XIV and XV.
- 5. Un monde sans argent, vol.3, 1976.
- 6. Statistics grossly overestimate man-hour productivity, since millions of hours of work are going unrecorded because they're performed... at home, mostly by computer using "knowledge workers". (Processed World, 2.001)
- 7. Aufheben, n.9, 2000.
- 8. J.Artus, La Nouvelle Economie, La Découverte, 2001.
- 9. According to some figures, in 1998, 3% of the us working population were employed in call centers (1% in Britain).
- 10. R.Milkman, Farewell to the Factory, University of California Press, 1997.
- 11. "Greatest Workers of All Time" , Financial Times, May 12 , 2001, by R.Donkin, author of From Blood, Sweat & Tears, Texere. Taylor and Stakhanov had a lot in common.
- 12. From the title of a book by B.Doray in 1981.
- 13. Against Sleep & Nightmare, n.6, 2001.
- 14. International Labour Bureau report on the US, Germany, Britain, Poland and Finland, 2000.

- 15. As Bordiga pointed out, the State is outside production, so it can't define a mode of production. We're only using the phrase "State capitalism" for convenience's sake (as with "third world".
- 16. This was the question asked by Pierre Souyri in one of his articles in Pouvoir Ouvrier (July-August 1965), published by the group of the same name. P.Souyri's reply was negative, because of weak local bourgeoisies, limited domestic markets, and strong imperialist pressures (which he thought also made new State capitalist regimes unlikely).
- 17. We borrow K.Yoshihara's phrase (1988).
- 18. The Collatex strikers poured acid into a river. Heineken workers threatened to blow up gas tanks, and B.Faure workers to set fire to the plant. Laid-off Moulinex strikers did set a building on fire. Some of the Bata personnel went into Bata shops in Paris and distributed shoes in the street. These are a few instances among many.
- 19. On the rise of "anti-capitalism", see Aufheben, n.10, 2002.